

Medicaid Health Homes: An Overview

The Affordable Care Act (Sec. 2703) gives states an opportunity to improve care coordination and care management for Medicaid beneficiaries with complex needs through health homes. Health homes integrate physical and behavioral health (both mental health and substance abuse) and long-term services and supports for high-need, high-cost Medicaid populations. By better coordinating care and linking people to needed services, health homes are designed to improve health care quality and reduce costs.

Not to be confused with patient-centered medical homes, health homes are specifically for Medicaid beneficiaries with chronic illnesses. In contrast to the physician-led primary care focus of the medical home, health homes offer person-centered, team-based care coordination with a strong focus on behavioral health care and social supports and services. Some states are building health home models on a medical home framework by expanding links to providers and increasing the breadth of available support services.

Progress in Health Home Implementation

States must submit a Medicaid state plan amendment (SPA) to the Centers for Medicare & Medicaid Services (CMS) to create a health home program. As of December 2015, 19 states and the District of Columbia have approved SPAs, with some states submitting multiple SPAs to target different populations or phase-in regional implementation (resulting in 27 unique models). More than one million Medicaid beneficiaries have been enrolled in health homes to date (see Exhibit 1).¹ Nearly a dozen other states are planning health home models.

Target Populations

To be eligible for health home services, an individual must be a Medicaid beneficiary diagnosed with the following according to state-defined criteria: (1) two chronic conditions; (2) one chronic condition and risk for a second; or (3) a serious mental illness. The statute creating health homes listed chronic conditions that include mental health conditions, substance use disorder, asthma, diabetes, heart disease, and overweight (body mass index over 25). States may propose other conditions to CMS for incorporation into their health home models.

Medicaid Health Home Enrollment ¹		
STATE	FOCUS AREA	ENROLLEES
Alabama	Chronic conditions and SMI	222,487
District of Columbia	SMI	--
Idaho	Chronic conditions and SMI	8,215
Iowa	Chronic conditions	6,917
	SMI/SED	24,765
Kansas	SMI	31,251
Maine	Chronic conditions	49,941
	SMI/SED	2,441
Maryland	SMI & SUD	6,067
Michigan	SMI/SED	657
Missouri	Chronic conditions	17,292
	SMI	22,482
New Jersey	SMI	400
	SED	128
New York	Chronic conditions and SMI	220,652
North Carolina	Chronic conditions	559,839
Ohio	SMI	13,163
Oklahoma	SMI	4,982
	SED	3,170
Rhode Island	Chronic conditions and SMI	1,995
	SMI	7,700
	SUD	2,704
South Dakota	Chronic conditions and SMI	5,887
Vermont	SUD	5,151
Washington	Chronic conditions	63,556
West Virginia	Chronic conditions	846
Wisconsin	HIV/AIDS	243
Total health home enrollees		1,282,688

SOURCE: Data as of September 2015 except for North Carolina (as of July 2013). District of Columbia implementing until January 2016. See: [Health Home Information Resource Center](#).

SED = serious emotional disturbance

SMI = serious mental illness SUD = substance use disorder

Note that Oregon has withdrawn its Medicaid health home SPA and is no longer providing services under the 2703 option.

Mandated Core Services

The goal of the Medicaid health home state plan option is to promote access to and coordination of care. States have flexibility to define the core health

home services, but they must provide all six core services, linked as appropriate and feasible by health information technology:

- Comprehensive care management;
- Care coordination;
- Health promotion;
- Comprehensive transitional care and follow-up;
- Individual and family support; and
- Referral to community and social support services.

States implementing health homes receive enhanced federal funding (90 percent federal match for the first eight fiscal quarters from the effective date of the SPA) for health home services. After that, services are matched at the state's usual rate.

Service Providers

Health home services may be provided by a designated provider or a team of health care professionals. Designated providers may include: physicians, clinical practices or clinical group practices, rural health clinics, community health centers, community mental health centers, home health agencies, behavioral health service agencies, or other providers such as pediatricians, gynecologists, and obstetricians who are appropriate for the needs of the targeted population.

The team providing health home services may include physicians, nurse care coordinators, nutritionists, social workers, behavioral health professionals, or any professionals that the state deems appropriate for its model. These professionals may be: (1) based in primary care or behavioral health providers' offices; (2) coordinated virtually; or (3) located in other settings that suit beneficiaries' needs. In any configuration, health home providers use person-centered care planning and coordination/service integration to reduce fragmentation of care.

Flexibility of Design

The health home option waives the Medicaid state plan requirements for statewideness as well as for comparability of services. Therefore, states can target health home enrollment by condition and geography.

Thus, states can develop health homes that serve individuals with a particular qualifying condition (e.g., SMI), or area of the state (e.g., city, county, or group of counties). To further customize the health home model, states can prioritize enrollment or tier payments based on severity/risk of the patient. However, states cannot target health homes by criteria such as age, delivery system, or dual eligibility status (i.e., eligible for both Medicare and Medicaid). For example, states cannot develop health home models that target children with serious emotional disturbance. Instead, states can develop models that enroll individuals with serious mental illness across the age continuum and tailor health homes to meet the needs of both children and adults.²

Support for States Pursuing Health Homes

States may request federal planning funds – at their medical assistance service match rate – to support health home program design.³ In addition, technical assistance is available from the Centers for Medicare & Medicaid Services' [Health Home Information Resource Center](http://www.medicare.gov/State-Resource-Center/Medicaid-State-Technical-Assistance/Health-Homes-Technical-Assistance/Health-Home-Information-Resource-Center.html) to assist state Medicaid agencies in developing and implementing health home models tailored to their unique goals and needs.

Additional Resources

Health Home State Medicaid Director Letter (CMS/November 2010) SMDL 10-024 Re: Health Homes for Enrollees with Chronic Conditions. Center for Medicaid and CHIP Services (CMCS). November 16, 2010. Available at: <http://www.medicare.gov/State-Resource-Center/Medicaid-State-Technical-Assistance/Health-Homes-Technical-Assistance/Health-Home-Information-Resource-Center.html>.

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Endnotes

¹ Additional information and the states' approved SPAs can be found at: <http://www.medicare.gov/State-Resource-Center/Medicaid-State-Technical-Assistance/Health-Homes-Technical-Assistance/Health-Home-Information-Resource-Center.html>.

² K. Moses, J. Klebonis, and D. Simons. *Developing Health Homes for Children with Serious Emotional Disturbance: Considerations and Opportunities*. Health Home Information Resource Center, February 2014. Available at: http://www.chcs.org/usr_doc/Developing_Health_Homes_for_SED_02_24_14.pdf.

³ States interested in a planning grant should submit a *Letter of Request* of no more than two pages describing their health home planning activities, with an estimated budget to the Centers for Medicare & Medicaid Services. Letters of request should be sent via email to healthhomes@cms.hhs.gov.